

**Business Opportunity  
For Concession Operations  
at Glacier Bay National Park & Preserve**

**Gustavus, Alaska**

*Department of the Interior*

National Park Service





## SUMMARY OF BUSINESS OPPORTUNITY

The purpose of this summary is to provide a synopsis of key elements from the Draft Contract for the concession operation at Glacier Bay National Park & Preserve. In the event of any inconsistency between the terms of the attached Draft Contract and this summary, the Draft Contract will prevail.

### Nature of Business and Services Provided

The business opportunity will address the seasonal commercial visitor services and will describe essential improvements required within the Draft Contract. The following sections provide information about the concession visitor services to be provided in this Draft Contract.

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#### Required Services

Lodging Services: Operation of Glacier Bay Lodge
Day Tour Boat Services: Daily tour of Glacier Bay National Park & Preserve
Food and Beverage Services: Operation of the Glacier Bay Lodge restaurant
Retail Services: Lodge gift and sundry shop and Day Tour Boat sundry sales
Ground Transportation: Scheduled service between Gustavus and Bartlett Cove
Marine Fuel Service: Sale of marine gasoline and diesel fuel, camper stove fuel and common marine oils and lubricants
Camper Drop-Off: Daily drop-off and pick-up of campers and kayaks
Baggage Storage: Storage of visitor baggage
Other Services: Public Telephones, Showers & Laundry

#### Authorized Services

Food and Beverage Services: Room service
Retail Services: Day tour boat gift & souvenir sales
Ground Transportation: "On-Demand" service between Gustavus and Bartlett Cove
Vehicle Fuel Service: Vehicle fuel sales
Vending machines
Other Services: Recreational equipment rental (excluding kayaks), minor vessel repair and towing services, and booking services for area activities

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**Annual Gross Receipts by Year (as reported, for all services)**

1999	2000	2001
\$3,274,613	\$3,157,625	\$2,813,192

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**Proposed Minimum Franchise Fee:**                      **3.0 percent**

**Maintenance Reserve:**                                      **1.0 percent**

**Term of Draft Contract:**                                      **Ten years**

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**Required Investment, as estimated by the National Park Service**

Concession Facilities Improvement Program	\$1,665,000
Other Property	\$400,000
Inventory	\$75,000
Possessory Interest	\$0
<b>TOTAL</b>	<b>\$2,140,000</b>

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**Preferred Offerors:** See “Proposal Instructions – Preferred Offeror Determinations” for a description of the preferences applicable to this solicitation.



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## INTRODUCTION

The National Park Service (“NPS”) intends to award a concession contract for seasonal lodging, food service, a vessel-based day tour and other associated services based out of the Glacier Bay Lodge facilities at Bartlett Cove in Glacier Bay National Park & Preserve (“Glacier Bay NP&P”).

This document describes the existing business and the services to be authorized. Potential Offerors are responsible for reviewing all sections of this prospectus and, specifically, the terms and conditions of the attached Draft Contract (“CC-GLBA001-04”), including its exhibits, to determine the full scope of a Concessioner’s responsibilities under the new Draft Contract. This solicitation is being conducted in accordance with the National Park Service Concessions Management Improvement Act of 1998 (“PL 105-391”).

This prospectus is issued under the authority of 36 CFR Part 51. In the event of any inconsistency between the terms of this prospectus and 36 CFR Part 51, 36 CFR Part 51 will control. Additionally, in the event of any inconsistency between the terms of the attached Draft Contract and this Business Opportunity section, the attached Draft Contract will control.

### The National Park Service and its Mission

America’s National Park Service was created by Congress to

...conserve the scenery and the natural and historic objects and the wild life therein, and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations.

Additionally, the Congress has declared that the National Park System should be,

...preserved and managed for the benefit and inspiration of all the people of the United States.

The National Park Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation’s natural and cultural heritage.

To learn more about the National Park Service, visit our website at [www.nps.gov](http://www.nps.gov). This site includes information about who we are, our mission, NPS policies, and individual Park information.

### Glacier Bay National Park & Preserve Mission

Glacier Bay NP&P was originally established as a national monument by President Calvin Coolidge in 1925. The enabling legislation cited the features and values of the area: tidewater glaciers in a magnificent setting, developing forests, scientific opportunities, historic interest and accessibility. The national monument was doubled in size in 1939. In 1980 the area was expanded once again and renamed Glacier Bay National Park & Preserve.



The purpose of Glacier Bay National Park & Preserve, both then and now, is to preserve accessible tidewater glaciers, scenic grandeur, historic value, and unique opportunities for the study of glaciers and associated plant and animal community succession processes. Glacier Bay NP&P maintains its purpose through the following mission statement:

- To achieve, maintain and communicate the area's status as a superlative Park, Biosphere Reserve and World Heritage Site;
- To manage use to provide a unique, inspirational visitor experience while protecting the area's marine, glacial and terrestrial ecosystems; and,
- To recognize and perpetuate Park values, including those associated with the Tlingit homeland, wilderness, and solitude.

The NPS identifies the following interpretive themes for the area:

**Glacier Bay's story is one of dynamic change in the wake of dramatic glacial movements:**

Glacier Bay is a journey back to the world as it once was, in an ice age. Dramatic glacial retreat exposes an elemental, primordial, yet resilient land that hosts a succession of marine and terrestrial life. Glacier Bay is an opportunity to see how the physical world shapes the biological. The story of Glacier Bay is one of dynamic change in the wake of dramatic glacial movements in one of the few remaining intact ecosystems left on the globe.

**Glacier Bay inspires people of many cultures to explore their connections to this dynamic landscape:** Glacier Bay has continued to be a powerful place that inspires cultural expression in the scientist, the artist, the resident, the traveler, and those who make their livelihood from the sea. Glacier Bay continues to offer inspiration as we each endeavor to explore our connections to this dynamic landscape that is both old and young.

**One researcher's efforts at preserving a living laboratory gave the world a park to study and enjoy through the ages:** Science was at the heart of the enabling legislation, and today science continues to play an integral role in management decisions. What scientists learn from observing processes at Glacier Bay may one day foretell of changes to the region, the state, the continent, and the world.

**Glacier Bay is a place of hope--for it preserves a sample of wild America:** Glacier Bay is a globally significant marine and terrestrial wilderness sanctuary -a place that offers human solitude and a remote wildness that is rapidly disappearing in today's world. Glacier Bay is a place of hope--for the continued wisdom, restraint, and humility to preserve samples of wild America, the world as it was. Glacier Bay is part of one of the largest internationally protected Biosphere Reserves in the world, and it is recognized by the United Nations as a World Heritage Site.

Glacier Bay NP&P expects its concessioners to join with the NPS to ensure the preservation, conservation and protection of the Park resources and the environment. Additional information on Glacier Bay NP&P can be found at [www.nps.gov/glba](http://www.nps.gov/glba).





## MARKET AREA OVERVIEW

Glacier Bay NP&P is one of the nation's largest National Parks and a key destination in the state of Alaska. In fact, as will be discussed in this section, approximately four of every 10 visitors to the state visit Glacier Bay. The state encompasses over 365 million acres, the vast majority of which is undeveloped. Alaska's national parklands stretch from Southeast Alaska to the Arctic, comprising 54 million acres, or 13 percent of the state's land area.

Glacier Bay, located in the northern corner of the Alaskan Panhandle, offers many opportunities for outdoor recreation in a predominately rugged outdoor environment. These opportunities, coupled with the area's proximity to Juneau, a major regional hub for Alaskan tourism activity, account for much of the area's popularity as a tourism destination. The following section will provide an overview of:

- Tourism in the State of Alaska;
- The local and regional market for various relevant tourist support businesses; and,
- Glacier Bay NP&P.

While Glacier Bay NP&P is one of the most popular attractions in Southeast Alaska (and is more completely described in the subsequent section), several characteristics of the region as a whole are also important to understand. These characteristics include the following:

- Visitation to the area is highly seasonal.
- Visitation to the area has grown during the last decade.
- The cruise ship industry and its customers play a role of growing importance on area visitation.
- The geographic position of the state and the Panhandle make it a predominately fly-to-destination for non-cruise passengers, which results in a high percentage of regional and international visitors.

### Alaska: Introduction

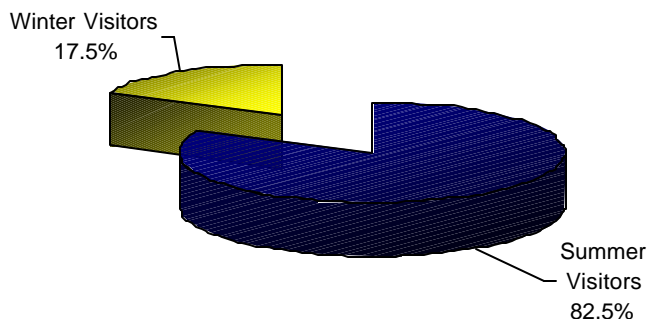
Alaska is best characterized by its large size, rugged terrain and wide-open spaces. While tourism continues to grow, visitation is still small when compared to that of other major destination locations. For example, the state of Hawaii reported approximately 6.9 million visitors to its 6,422 acres during 2000, a year in which Alaska reported approximately 1.4 million visitors to its more than 365 million acres. However, even though tourism to Alaska is lower than other remote destinations, it does benefit from several one-of-a-kind attractions and a consistent level of growth (something many other destinations lack). The following sections provide an overview of Alaskan tourism.



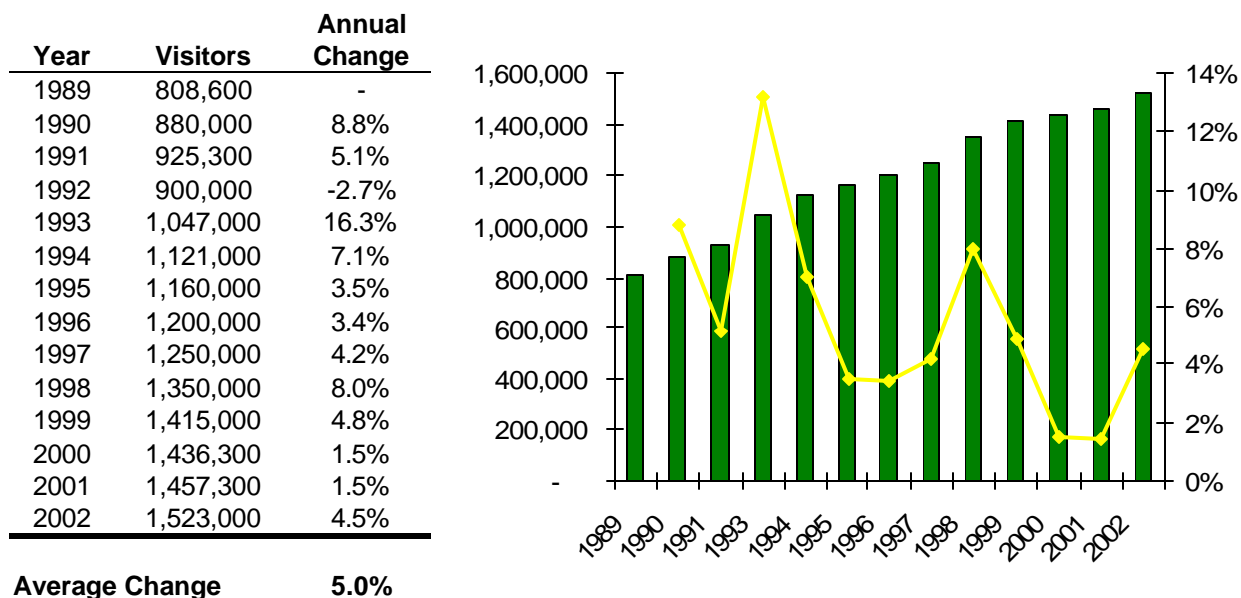
## Alaskan Tourism: Seasonality and Trends

Alaska tourism is divided into two seasons. The “Fall/Winter” season includes October through April while the “Summer” season includes May through September. During the Fall/Winter season of 2000/2001, there were approximately 254,500 visitors to Alaska. This represents a 10 to 15 percent increase over the Fall/Winter season of 1998/1999 (the last year in which arrival count was conducted).<sup>1</sup>

In the Summer of 2001 season, there were approximately 1.2 million visitors, which represents a similar level to previous years. During the 2001 Summer season, 81 percent of visitors reported visiting southeast Alaska while approximately 30 percent of visitors reported visiting the southeast only, illustrating the critical hub point that the area represents for visitation to the state. The following exhibit depicts Alaska visitation since 1989. All arrival counts represent visitors only (i.e. they do not include resident arrivals).



**Exhibit 1- Historical Visitor Statistics: State of Alaska**



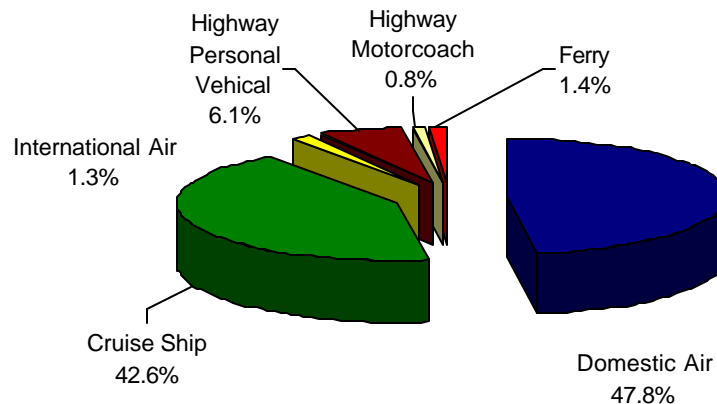
Source: NPS Public Use Statistics and the State of Alaska Department of Community and Economic Development

<sup>1</sup> It is important to note that more visitor arrival locations were considered in the Fall/Winter 2000-2001 study. The statement that visitors have increased by 10-15 percent over the last two years includes an adjustment for changes in sampling.



Overall, visitation to Alaska has grown consistently for 10 years averaging mid- to low-single digit increases. The cruise ship industry has contributed significantly to growth, which is evidenced through tracking the mode of travel of area visitors. Alaska's visitors arrive by domestic air, international air, cruise ship, Alaska Marine Highway System, personal vehicle and motor coach. However, domestic air and cruise ships remain the dominant sources of visitors contributing 48 and 42 percent, respectively. The following table highlights the mode of arrival for Alaskan visitors during the Summer 2001 season.

### Exhibit 2 - Mode of Transportation: Alaskan Visitors



Source: State of Alaska Department of Community and Economic Development (2001)

Comparing this to similar data from 1989 the following key points are noted. First, while visitors arriving via air have doubled between 1989 and 2001, those arriving via cruise ship have grown approximately 250 percent. These relate to average annual increases of approximately 6 percent and 11 percent, respectively. Overall, the state of Alaska has seen its largest increase in tourism from the cruise ship industry over the last decade.

#### Alaskan Tourism: Visitor Profile

In addition to tracking mode of transportation, the Alaska Department of Community and Economic Development also researches a profile of the visitors to the state. During the Fall/Winter season of 2000/2001, visitors were characterized as being age 31-40, from the western United States, and arriving and departing by domestic air. Furthermore, visitors were characterized as being employed full-time with household incomes ranging from \$75,000 to \$99,000. Typical visitor stays during this season were seven days or less. Fall/Winter visitors were characterized as having visited Alaska previously. Business was cited as the most common trip purpose this season. Thus, illustrating that winter visitation is highly influenced by business travel.

#### Fast Facts

- Largest proportion of visitors arrives via air representing 48 percent of summer visitation.
- In 2001, cruise ships represented the second largest source of visitors, contributing 42 percent.
- Typical summer visitor is:
  - Older than 61
  - First Alaska trip
  - Package traveler



In contrast, during the Summer 2001, visitors were typically age 61 or over, traveling in pairs and on their first trip to Alaska. “Vacation and pleasure” was cited as the most common trip purpose this season. Summer visitors were typically package travelers arriving by domestic air or, to a slightly less extent, cruise ships. Like Fall/Winter visitors, Summer visitors were likely to be from the United States, with a particular emphasis on the western states (somewhat following population trends), and to stay in Alaska for seven days or less.

### **Alaskan Tourism: Conclusion**

Several recent events have impacted visitation to Alaska. The recent economic slowdown has reportedly impacted Alaskan visitation given distance and related expense of an Alaskan vacation. Furthermore, the strength of the U.S. dollar has not only encouraged Americans to travel abroad but it has hindered visitation from international visitors. In fact, visitor arrivals by international air have declined since 1989. Nevertheless, the attractiveness of Alaska’s unique ecosystem and the inherent sights, activities and adventures indicate that visitor counts should continue to grow, even if at slower more stabilized rates.

### **Local Market Area (Gustavus, AK)**

Gustavus, AK (pop. ~ 350) is located near the southeastern corner of Glacier Bay NP&P. Consequently, the Park and tourism related activities generate a significant portion of the town’s employment. Located 50 miles west of Juneau, Gustavus is accessible solely by air or water, making Juneau the regional hub for visitors entering the area, primarily via cruise ship and plane.

Bartlett Cove, 10 miles north by road from Gustavus, is home to the Park’s headquarters, visitor information station, visitor center, as well as Glacier Bay Lodge. From these areas, visitors can embark on kayaking, hiking, fishing, camping, boating and “flight-seeing” expeditions.

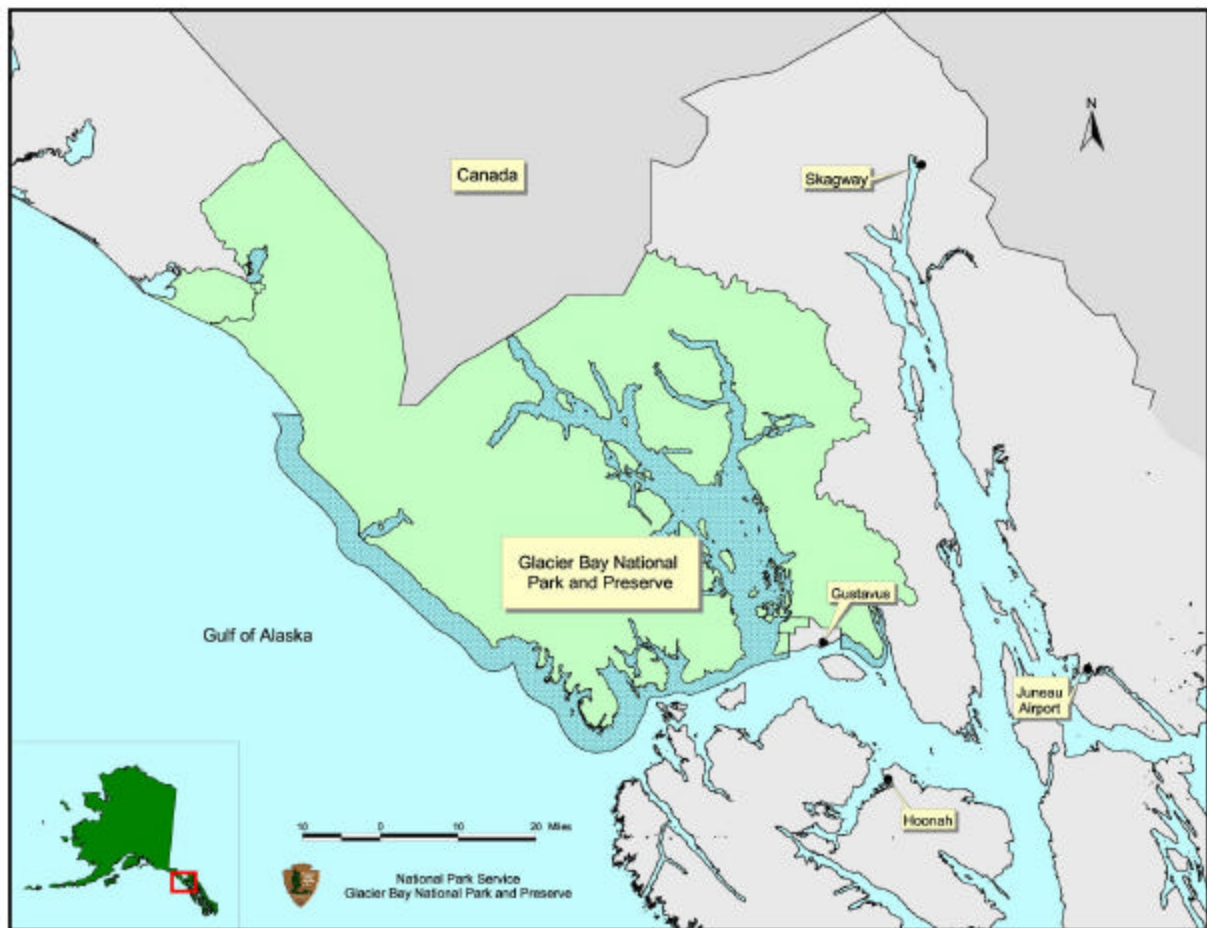
The following map illustrates Glacier Bay NP&P and the surrounding area.



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**Exhibit 3 - Area Map**

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The map illustrates Glacier Bay relative to Gustavus, Juneau and other towns in Southeast Alaska. Alaska Airlines offers jet service to Gustavus during the summer months. Charter planes, or air taxis as they are commonly referred, primarily departing from Juneau as well as Ketchikan, Sitka, Haines, Skagway and Hoonah, also offer air transit to Gustavus. Juneau, Haines and Skagway provide the bulk of air transit to Gustavus. A private ferry has also offered passenger-only service between Juneau and Gustavus during the summer. Charter and private boats are another means of accessing Gustavus and the Park.

**Local Visitor Services*****Accommodations Supply - Gustavus***

The local community of Gustavus has approximately 90 rooms or cabins available for overnight accommodations (not including the Glacier Bay Lodge). These properties are listed below.



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**Exhibit 4 - Gustavus Lodging Market Supply**


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Lodging Unit	Number of Rooms (unless noted)
Aimee's Guest House	2
Alaskan Angler's Inn	4
Alaskan Discovery Inn at Glacier Bay	5
Annie Mae Lodge	11
A Bear's Nest B & B	2 cabins
Blue Heron B & B at Glacier Bay	4
Glacier Bay Country Inn	10
Glacier Bay's Bear Track Inn	14
Glacier Bay's Great Chinook Lodge	4
Good River B & B	4 rooms + 1 cabin
TRI B & B of Glacier Bay	4
Whalesong Lodge	5
Gustavus Inn at Glacier Bay	13
Spruce Tip Lodge	4

*Source: Local Information*

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Glacier Bay NP&P is not planning to authorize additional lodging within the Park at this time.

There are three other small concession operated lodges located within the Preserve<sup>2</sup>. These include Johnny's East River Lodge, Northern Lights Haven and Alsek River Lodge all of which are located 60 miles southeast of Yakutat, Alaska at Dry Bay. Johnny's East River Lodge is a small wilderness facility focusing on sport fishing and wildlife viewing activities and services. Northern Lights Haven is a small rustic lodge primarily focusing on sport fishing activities and services. Finally, Alsek River Lodge is a small rustic lodge primarily focusing on guided hunting, photography & sport fishing activities and services. Given their location, approximately 100 miles northwest of Gustavus and their focus primarily on hunting, fishing and related services, the facilities are not seen as competitive with the Glacier Bay Lodge.

#### ***Accommodations Supply - Juneau***

With slightly less than 1,000 hotel rooms and an additional estimated 100 rooms in B&Bs and Inns, Juneau is a primary point of origin for many Alaskan vacations. The following table illustrates major properties within the Juneau area.

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<sup>2</sup> As a point of reference Glacier Bay National Park and Preserve includes two distinct areas. Park lands encompass approximately 3.225 million acres while the Preserve lands encompass roughly 58,400 acres. Geographically, the Preserve lands are predominately located in the northern portion of the overall Glacier Bay Park and Preserve.



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**Exhibit 5 - Juneau Lodging Market Supply**

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Property	Rooms
Gold Belt Hotel Juneau	106
Frontier Suites Airport	40
Mount Juneau Inn	18
Bergman Hotel	46
The Baranof Westmark	196
The Inn at Waterfront	20
Alaskan Hotel	42
Breakwater Inn	50
Driftwood Lodge	63
Prospector Hotel	58
Best Western Grandmas Feather Bed	14
Super 8 Juneau	75
Pearsons Pond Luxury Inn	16
Best Western Country Lane Inn	55
Travelodge Juneau Airport	86
Aspen Hotel	96

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*Source: Juneau Convention and Visitors Bureau*

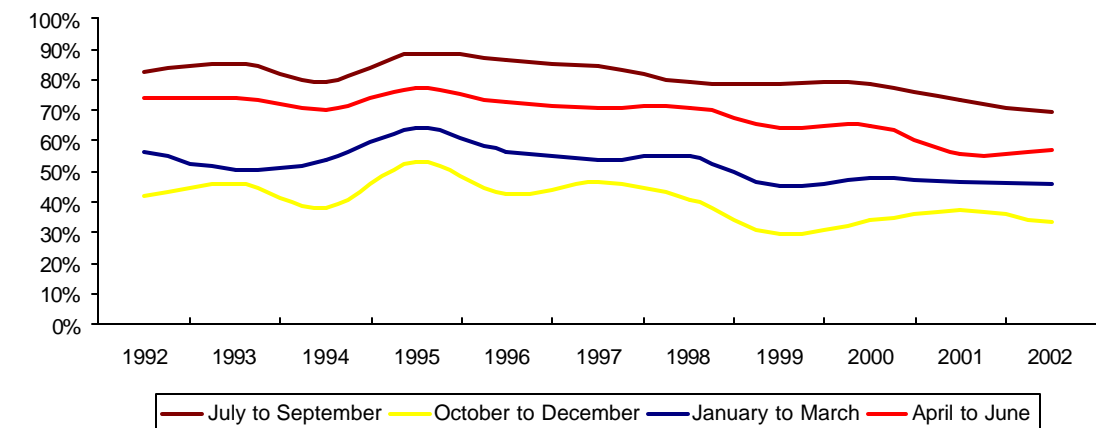
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The following table highlights occupancy for the Juneau area hotels as reported by the Juneau Area Convention and Visitors Bureau.





### Exhibit 6 - Historical Lodging Occupancy for Juneau, Alaska



Period	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
July to September	83%	85%	79%	89%	87%	85%	79%	78%	78%	73%	70%
October to December	42%	46%	38%	53%	43%	47%	41%	29%	34%	38%	33%
January to March	56%	51%	54%	64%	56%	54%	55%	45%	48%	47%	46%
April to June	74%	74%	71%	77%	73%	71%	71%	64%	65%	56%	57%
Annual Average	64%	64%	61%	71%	65%	64%	61%	54%	56%	53%	52%

Source: Juneau Convention and Visitors Bureau

The first graphic illustrates the seasonality of the Juneau lodging market, with the highest level of occupancy from July to September and the lowest occupancy from October to December. Overall, supply increases, rather than a decline in demand, appear to be the cause of the decline in occupancy experienced since 1997.

#### Vessel Supply

All passenger carrying vessels, which range from small charter vessels to large cruise ships carrying several thousand passengers, are subject to specific use and operational limits, under federal regulations (see appendix). An environmental impact statement addressing vessel quotas and operating restrictions in Glacier Bay is currently in development (scheduled completion December 31, 2003). The information provided here is subject to change based on the outcome of this planning effort. Potential applicants are encouraged to review the draft EIS released in March 2003.

The following table describes the current daily and seasonal limitations by type of vessel.





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**Exhibit 7 - Current Vessel Quotas**


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Type of vessel	Daily Quota (maximum number of vessels allowed in Glacier Bay on a calendar day)	Period Covered by Daily Quota	June - August Cumulative Entry Quota	June – August Cumulative Vessel Use -Day Quota
Cruise ship	2	Year round	139	139
Tour vessel	3	Year round	276	276
Charter vessel	6	June 1-Aug. 31	312	552
Private vessel	25	June 1-Aug. 31	468	1,971

*Note: Cruise ships and tour vessels are limited to a maximum of two trips per day and three per day respectively, year-round.*

*Source: Glacier Bay National Park & Preserve*

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Under the existing Contract, the concessioner operates both charter vessels and tour vessels, including both day tour and overnight trips, as do several other providers. As will be discussed later in this document, as it relates to vessel services, the new Draft Contract will only include the day tour boat service and a camper/kayak drop-off service (which may be combined).

### ***Restaurant Supply***

The current market for food and beverage within the Gustavus area is serviced by the existing Concessioner's full-service dining room and a limited number of cafés in Gustavus. Some local inns also offer meal service to non-guests on a space available basis.

### ***Retail Supply***

The supply of retail and merchandise operations is limited to the Park's concession operation and area merchants and lodges.

### ***Ground Transport Supply***

Ground transportation includes the service authorized by this Draft Contract, as well as one taxi service presently available in Gustavus. Rental cars are also available from a single local provider. Local inns typically provide transportation for their guests to and from the Park.

### ***Fuel Supply***

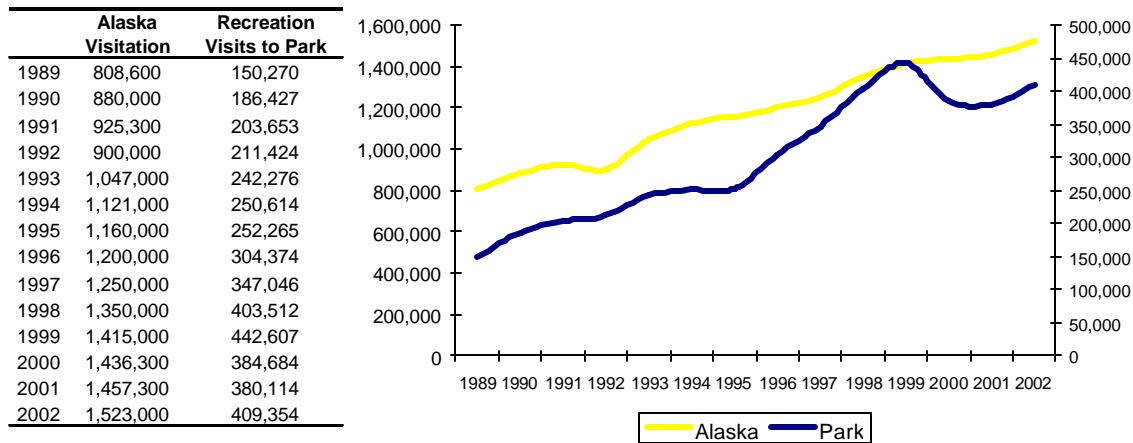
One gas station operates 24-hours (by virtue of pay-at-the-pump equipment) in Gustavus. Marine fuel services are not available in Gustavus, but are available in the neighboring communities of Hoonah and Elfin Cove.

## **Glacier Bay National Park & Preserve**

As part of a 24 million acre World Heritage Site, the Glacier Bay NP&P is part of the largest internationally protected area in the world. The area is characterized by snow-capped mountain ranges rising to over 15,000 feet, coastal beaches, fjords, 10 tidewater glaciers, estuarine waters, fresh water lakes, and a diverse array of flora and fauna which attract a wide range of visitors to the Park. The following exhibit depicts a comparison of total Alaskan visitation to Glacier Bay Park & Preserve visitation.



### Exhibit 8 - Alaskan Versus Park Recreation Visits

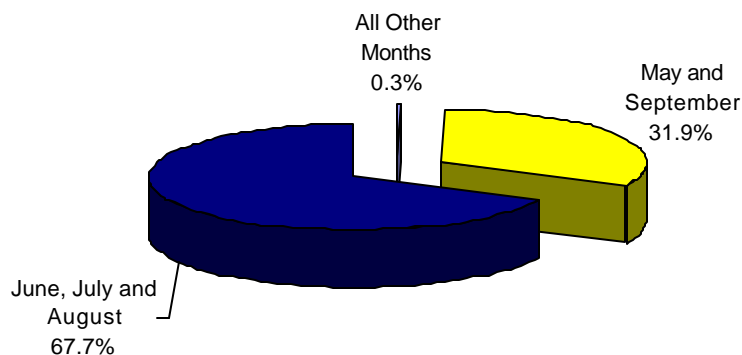


Source: NPS Public Use Statistics and State of Alaska Department of Community and Economic Development

Comparing the total Park visitation to overall visitation to Alaska a correlation is easily found. On average, 25 percent of people who visit Alaska also visit Glacier Bay NP&P, making it one of the most popular destinations in the state.

The Park is open to the public year-round; however, the primary visitor season extends from mid-May through early-September. Much of the visitation occurs between Memorial Day and Labor Day with the peak season typically occurring between the second week of June and the last week of August. This visitation pattern generally follows that of visitation to the state of Alaska as a whole. The following exhibit graphically illustrates the seasonality of visitation to Glacier Bay NP&P.

### Exhibit 9 - Glacier Bay NP & P Recreation Visits



Source: NPS Public Use Statistics



## EXISTING CONCESSION OPERATION

### Glacier Bay Lodge Visitor Services

The existing concessioner, Glacier Bay Park Concessions, Inc., a subsidiary of Goldbelt, Inc. (an Alaska Native Corporation), 9700, Glacier Highway, Suite 200, Juneau, AK 99801, operates the following primary services to Glacier Bay visitors:

- lodging
- day tour boat
- overnight tour boats
- charter vessel services
- food and beverage service
- retail sales
- ground transportation
- fuel services

The following exhibit provides a graphic depiction of the location of these visitor services.

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**Exhibit 10 - Bartlett Cove Developed Area Map**

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## Lodging Services

The 56-room Glacier Bay Lodge is the largest lodging operation in the surrounding area, comprising approximately one-third of all guestrooms in Gustavus. In addition, the lodge acts as a staging area for the visitor services throughout the Park.

Glacier Bay Lodge benefits from its status as the only accommodations located *within*

Glacier Bay National Park. Glacier Bay Lodge is accessible by a recently paved 10-mile road from Gustavus and operates annually from May to September.



A variety of room configurations are available including single, twin, double and family, each with a shower/bath. Historically, two small “bunk room” accommodations have been offered as a low-cost alternative for campers. Main accommodations are located separate from, but proximate to, the main lodge in various separate buildings connected via wooden decking and stairs.

Historically, July has been the peak period for Glacier Bay Lodge, with occupancies ranging from 80 to 98 percent. Average seasonal occupancies at the lodge have ranged from approximately 65 to 80 percent. Over the past five years, the average number of guests per occupied room has been two.

## Day Tour Boat

### Fast Facts

- 56-room lodge provides overnight accommodations.
- Daily boat tour
- Restaurant with outdoor deck
- Gift shop
- Ground transportation
- Marine & vehicle fuel services
- Bike rentals

The boat tour operation, recently provided on the MV Spirit of Adventure, offers Park visitors the opportunity to travel deep within Glacier Bay National Park and get a one-of-a-kind experience. The leased 250-passenger vessel makes one, eight-hour trip 55 miles into the Park to allow for viewing of tidewater glaciers and wildlife. A Glacier Bay Park Ranger provides interpretive services throughout the trip.

### Overnight Tour Boats

The present concession also offers multi-day excursions into the Park and surrounding areas, with trips generally originating outside the Park.

### Charter Vessel Services

A variety of charter vessel services have been offered in the past by the current concessioner.



**Food & Beverage**

The Glacier Bay Lodge operates a full-service restaurant with a 78-seat dining room and 76-seat outdoor dining deck. The operation provides three meals per day, serving both inside and outside, weather permitting. In addition to the restaurant within Glacier Bay Lodge, a simplified food and beverage operation is available on the day tour boat offering snacks and beverages.

**Retail**

Retail operations at the Glacier Bay Lodge include the lodge gift shop, as well as the gifts and sundries sold aboard the Spirit of Adventure tour boat.

**Bus Transportation**

Bus transportation and taxi services between Gustavus airport and the Glacier Bay Lodge are provided for a fee. Demand for the bus transportation service closely mirrors the demand levels of the lodge.

**Fuel Service**

Fuel service is available to both marine vessels and motor vehicles visiting the Park. Utilization of both services is limited, particularly the land-based service.

**Camper Drop-Off**

The existing concessioner presently provides camper drop-off services either as a separate operation or in conjunction with the day tour. Campers, kayaks and related gear are transported to specific drop-off points within Glacier Bay and transported back at a later time.

**Other Services**

Several other visitor services are offered by the existing concessioner including bike rentals, fishing gear rentals, temporary storage, public showers and laundry facilities. Marine services include vessel towing and minor repairs.

**Employee Housing and Feeding**

The existing concessioner has provided in-Park employee housing. Employees are currently housed up to four to a room in three 8-room dormitories.

In addition to housing, the concessioner also provides three meals a day for concession employees in a recreation hall environment, which also includes administrative offices for the concessioner.



## FUTURE OPERATIONS

The new concession Draft Contract includes several of the existing services and facilities, while eliminating others. The following tables will profile the required and authorized services. As stated in the introduction, in case of any inconsistency between this chart and the attached concession Draft Contract, the attached concession Draft Contract shall prevail.

**Essential operating and maintenance requirements for each of these required services are provided in the operating and maintenance plans which are part of the Draft Contract.**

### Exhibit 11- Required Services

EXISTING CONTRACT	NEW DRAFT CONTRACT
<b>Overnight Accommodations</b>	
Operation of the Glacier Bay Lodge	Operation of the Glacier Bay Lodge
<b>Vessel Operations</b>	
Day tour boat	Daily tour boat
Daily camper drop-off and pick-up services at designated locations*	Daily camper drop-off and pick-up services at designated locations
Charter vessel services	Discontinued from this draft contract.
Overnight tour vessels	Discontinued from this draft contract.
<b>Food &amp; Beverage</b>	
Operation of the Glacier Bay Lodge restaurant and on day tour and camper drop-off vessel(s)	Operation of the Glacier Bay Lodge restaurant and on day tour and camper drop-off vessel(s)
<b>Retail</b>	
Lodge gift and sundry shop	Lodge gift and sundry shop
Day tour boat sundry sales	Day tour boat sundry sales
<b>Ground Transportation</b>	
Bus and taxi service: scheduled and on demand service.	Bus and taxi service: scheduled service.
<b>Fuel Service</b>	
Sale of land and marine gasoline and diesel fuel, camper stove fuel, and common marine oils and lubricants	Sale of marine gasoline and diesel fuel, camper stove fuel, and common marine oils and lubricants
<b>Other Services</b>	
Storage of visitor baggage*	Storage of visitor baggage
Laundry and public telephone and shower facilities*	Laundry and public telephone and shower facilities

*\*Although these services are not explicitly identified, they are currently being provided under the terms of the existing contract. Some services may have been identified differently in the existing contract, but no substantive changes in services are contemplated unless specified.*



### Exhibit 12 - Authorized Services

EXISTING CONTRACT	NEW DRAFT CONTRACT
<b>Food And Beverage Services</b>	
Room service*	Room service
<b>Retail Services</b>	
Day tour boat gift & souvenir sales	Day tour boat gift & souvenir sales
<b>Ground Transportation</b>	
Provided as a required service	Bus and taxi service: on-demand service.
<b>Fuel Services</b>	
Provided as a required service	Vehicle fuel sales
<b>Other Services</b>	
Bicycle and fishing gear rental*	Recreational equipment rental (excluding kayaks)
Minor vessel repair and towing services	Minor vessel repair and towing services
Booking services for area activities*	Booking services for area activities
Vending*	Vending

*\*Although these services are not explicitly identified, they are currently being provided under the terms of the existing contract. Some services may have been identified differently in the existing contract, but no substantive changes in services are contemplated unless specified.*

### Important Information Regarding Future Services

Additional requirements for specific services are detailed below.

#### ***Overnight Accommodations***

The concessioner is required to manage the 56-room lodging operation including, but not limited to, reservations, housekeeping, guest services and maintenance. Offerors will be asked to provide their plan for configuring and marketing overnight accommodations as part of their offer.

#### ***Vessel Operations***

The new concessioner will be required to secure the use of a vessel that, in addition to meeting all Applicable Laws and regulations, also meets the following.

**Capacity.** The minimum vessel capacity is 149 passengers. The NPS would prefer a vessel having interior climate controlled seating for at least 180 passengers. The NPS has found that booth seating without armrests between seats offers the optimal passenger comfort and functionality. The vessel size should be consistent with the Offerors estimates of utilization. Exterior space should accommodate comfortable viewing for all passengers, including some outside seating and protection from the elements.

**Speed.** No minimum speed is specified for the vessel, but proposals will need to show that the proposed vessel will be able to meet the itinerary requirements specified in the draft operating plan under adverse tidal current periods when vessel speed is limited to ten knots from Bartlett Cove to the north tip of Strawberry Island. The operational history suggests a cruising speed of at least 28 knots [fully loaded in 4 ft. seas] is necessary to comfortably meet itinerary





requirements, particularly when speeds are limited to ten knots in certain areas due to concentrations of whales and during periods of adverse currents (see Trip Duration).

**Trip Duration:** The anticipated trip duration is seven to eight hours (based on the standard itinerary and a combined day tour/camper drop-off operation). A shorter trip may be proposed, but must be supported by a vessel capable of the higher speeds required. A longer trip may also be proposed, but the proposal must specify what additional services will be provided to facilitate passenger comfort and enjoyment during the longer journey.

**Design.** The NPS would prefer a vessel that provides generous windows that are well placed for passenger viewing (to avoid passengers outside blocking views from inside, high enough to allow interior viewing without stooping, low enough for good viewing while seated, etc.). There should also be a variety of areas (large and small, inside and out) available for passenger viewing and seating. Due to the climate, an efficient de-fogging system is essential. The vessel must comply with applicable Americans with Disabilities Act (“ADA”) requirements. A small smoking area may be provided, but must be located where smoke does not impact other passengers.

**Accommodations.** The galley and food service system should allow efficient meal, snacks and beverage service, and must meet all applicable food service code requirements. A display area for NPS information and presentations must be provided.

**Equipment.** The NPS would prefer vessels utilizing the best available technology in all facets of vessel design and operation including noise and vibration control, marine sanitation, and engine and generator design, public address system (with wireless microphone for NPS interpretive program), and HVAC systems. The NPS would also prefer proposals that reduce use of fossil fuels, provide clean starting engines, and propose specific operational measure to provide during wildlife and glacier viewing.

- A Type III marine sanitation device is not acceptable due to limitations in Park pump-out facilities. The NPS would prefer a vessel with an on-board waste treatment system exceeding minimum legal requirements. Discharging wastewater into the NPS operated wastewater treatment plant at Bartlett Cove is prohibited without the written approval of the Superintendent. Discharging untreated wastewater into marine waters more than three miles from shore outside the Park is also prohibited.
- U.S. Coast Guard approved covered inflatable life rafts capable of carrying all passengers and crew and mounted so as to be automatically deployed in case of emergency are required.
- A first aid kit, including blood pressure cuff and stethoscope, oxygen capacity for delivering six liters per minute for 60 minutes, and an automated external defibrillator.

**Interior Sound.** The NPS would prefer a vessel generating noise levels significantly below the regulatory limits provided in 36 CFR 2.12.





**Hull Type.** Must be suitable for conditions. The NPS would prefer a bow-wake hull design. The bow must be designed to withstand contact with the small icebergs common to the operating area. If the tour boat is to be used as the camper drop-off vessel, then the hull should be constructed and approved for bow landings and adequate provision for carrying and off-loading kayaks, campers and their gear provided.

As an indication of an acceptable vessel, the M/V Spirit of Adventure (Vessel #684714) has provided this service for a number of years and generally meets the minimum criteria detailed in this prospectus. The vessel is currently owned by:

Tom Tougas  
Four Seasons Marine  
P.O. Box 3572  
Seward, AK 99664  
907-224-4378

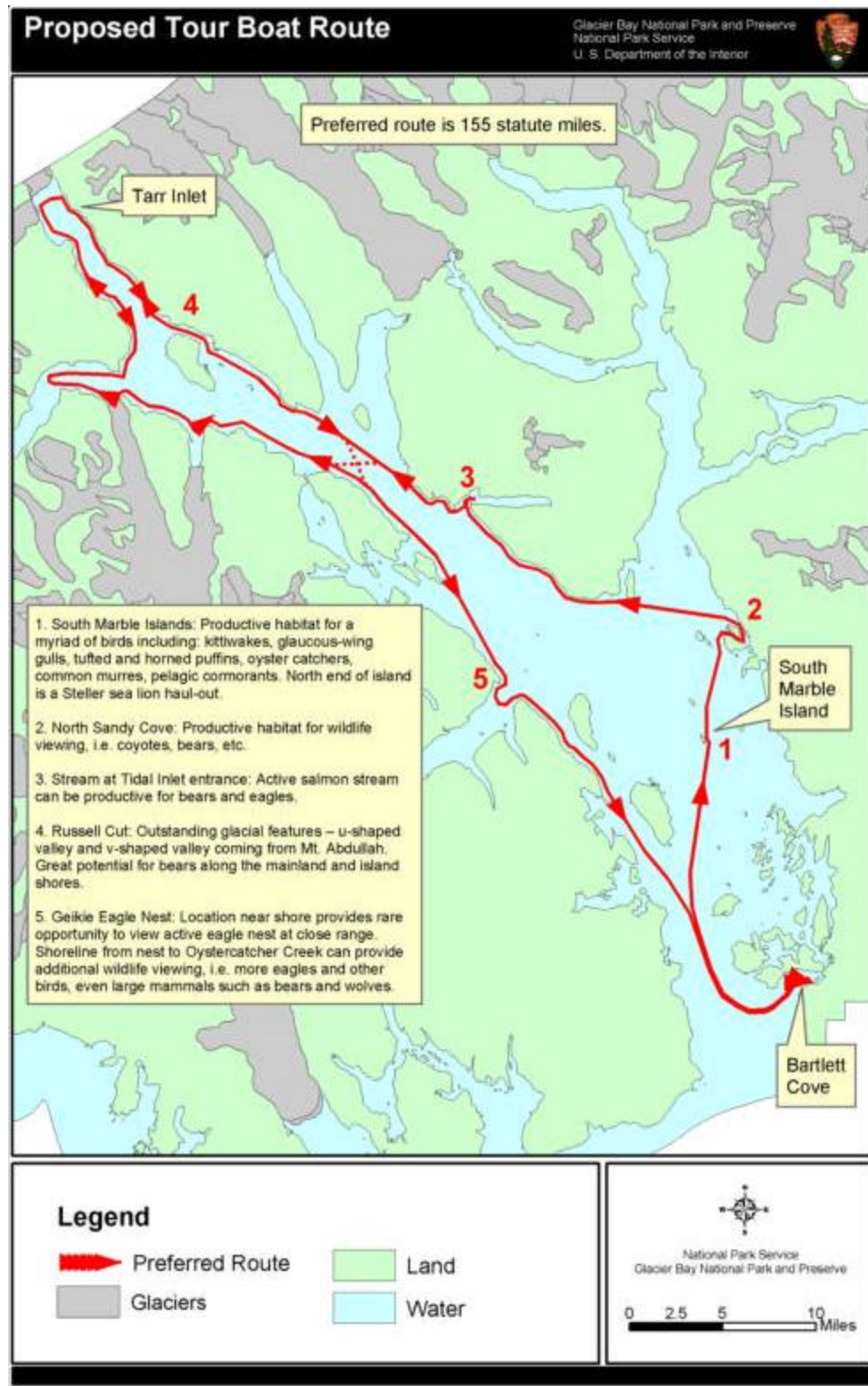
The map on the following page depicts the proposed route for the day tour.

### ***Camper Drop-Off***

Camper drop-off services to specific locations within Glacier Bay will continue to be provided under the new Draft Contract. The response to this prospectus requires that the Offeror elect whether to provide this service using a separate vessel, or to utilize the day tour boat. The NPS prefers that the concessioner utilize a separate camper drop-off vessel, however recognizes that the use of a separate vessel may not be economically viable. If an Offeror proposes a smaller dedicated camper drop-off vessel, the NPS is willing to consider a proposal that would also utilize the smaller vessel for the regular day tour during low demand periods.



### Exhibit 13- Proposed Tour Boat Route



## CONCESSION FACILITIES IMPROVEMENT PROGRAM

Improvements will be required over the term of the new Draft Contract. As a part of this requirement, the concessioner shall undertake and complete an improvement program as described in this section. As part of this contract, the Concessioner will undertake and complete a Concession Facilities Improvement Program ("CFIP") as generally described in this section. The Concession Facilities Improvement Program is estimated to cost the Concessioner no more than \$1,665,000 in 2002 dollars. The following table identifies each project, including expected construction commencement and completion dates.

**Exhibit 14 - Required CFIP Projects**

PROJECT	ESTIMATED COST OF PROJECT <sup>1</sup>	START DATE	COMPLETION DATE
(1) Deferred Maintenance	\$115,000	2004	May 1, 2005
(2) Replace Lodge Guest Phone System	\$25,000	2004	May 1, 2005
(3) Construct New Employee Housing	\$1,500,000	2005	May 1, 2006
(4) Construct New Maintenance Shed	\$25,000	2005	May 1, 2006
<b>TOTAL, Required Building Program<sup>2</sup></b>	<b>\$1,665,000</b>		

The following paragraphs provide a description of the future projects as developed by Service personnel:

1. **Deferred Maintenance:** The facilities associated with the concession operations are generally older facilities with some deferred maintenance items that will need to be cured immediately. The Concessioner is required to spend up to \$115,000 within the first year of securing the Draft Contract to cure issues of deferred maintenance. Immediately following the award of the new Contract, the new Concessioner and Park officials will coordinate a definitive plan to address any maintenance issues of an immediate nature as determined by the NPS.
2. **Install New Lodge Guest Phone System:** A consistent source of guest complaints and an overriding safety concern at the Park is the reliability of the current in-room phone system. The NPS is requiring the replacement of the server and in-room equipment (the wiring is believed to be adequate) at an anticipated cost of \$25,000.
3. **New Employee Housing:** Given the remote location of the Glacier Bay NP&P and the relatively large number of employees required to operate the concession facilities in

<sup>1</sup> All individual project totals are based upon conceptual estimates.

<sup>2</sup> This total constitutes the required Concession Facilities Improvement Program for this Draft Contract.



relation to the local area population, the existing concessioner offers on-site employee housing. The NPS believes that the current stock of housing is below the market need. To improve the overall living conditions of the Concessioner employees the NPS is requiring the design and construction of a 30-unit employee housing facility. Following the addition of these units, an occupancy restriction of two employees per unit will be implemented. The total cost of construction for the new employee housing is estimated at \$1,500,000, with construction planned during 2005.

4. New Maintenance Shed: The NPS has also determined that a small construction maintenance shed is required to support the concession operation. The existing concession maintenance facility must be replaced during the second year of operation, 2005. The total cost of construction for the new maintenance shed is estimated at \$25,000.

It is important to note that the Concessioner is obligated to the total CFIP investment of \$1,665,000 in accordance with the Draft Contract. However, the size, scope and location of each project may change based on further planning and unforeseen circumstances.



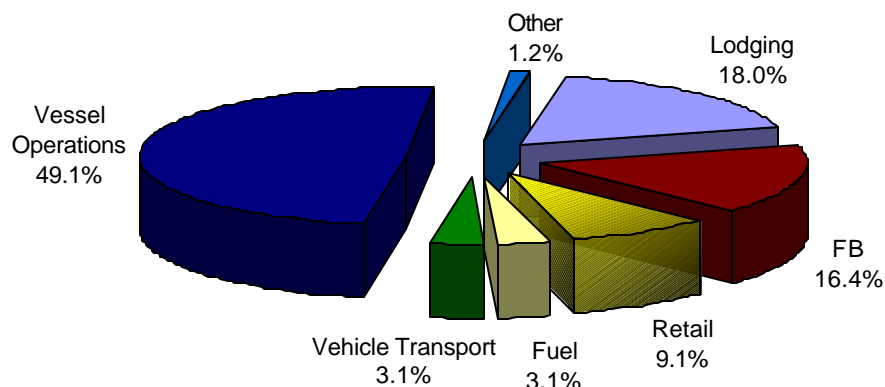
## GENERAL UTILIZATION AND OPERATING DATA

The proposal package requires Offerors to develop financial projections based on businesses to be operated and the improvements required. To assist the Offerors in the development of these projections, some information regarding the NPS estimation of future utilization and operating data to be provided under the new Draft Contract is presented on the following pages. Please note that operating projections are only estimates based on the National Park Service's assumptions that were developed taking into account appropriate historical data, industry standards and other considerations. The National Park Service, for the purposes of these projections assumed an annual inflation rate 2.5 percent. Some or all of the projections may not materialize and unanticipated events may occur that will affect these projections. Offerors should be appropriately cautious in the use of all operating estimates. Although the NPS does provide some financial projections, Offerors are responsible for producing their own prospective financial analyses and may not rely on NPS projections. NPS does not warrant and assumes no liability for the accuracy of the financial projections or estimates contained in this prospectus.

### Glacier Bay Lodge, Day Tour Operation and Related Services

The concession operation produced approximately \$2,813,000 in revenues in 2001, with day tour/camper drop-off services comprising the largest source of revenue. The following chart displays the distribution of the revenue by profit center at Glacier Bay.

**Exhibit 15 - Distribution of Total Concession Revenues by Revenue Center - 2001**



*Source: Glacier Bay NP&P, 2001 concessioner Annual Financial Report ("AFR")*

### Lodging Services

The Glacier Bay Lodge is a 56-unit hotel overlooking Bartlett Cove and Glacier Bay. It is a seasonal operation that usually opens between the first week and second week in May and closes



soon after the first week in September. Hotel revenue comprised approximately 19 percent of total revenues in 2001. Overall, the operating season of the Lodge has typically lasted 120 days.

Annual occupancy percentage at the Glacier Bay Lodge has historically ranged in the mid- to upper 70's. The recent decline in utilization of the lodge is not expected to continue under the new Draft Contract. It is assumed for purposes of these projections that future annual occupancy should stabilize in the 76 to 80 percent range, and possibly higher.

In terms of Average Daily Rate ("ADR") the historical operating results have mirrored that of occupancy. The following chart summarizes the approved maximum rates for the lodge during FY 2003.

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### **Exhibit 16 - Glacier Bay Lodge Room Rate Structure**

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<b>Room Rates (Forest View/Water View Units)</b>	
\$149.00/\$159.00	Per Room (Single Occupancy)
\$179.00/\$189.00	Per Room (Double Occupancy)
\$189.00/\$199.00	Per Room (Triple Occupancy)
\$199.00/\$209.00	Per Room (Quad Occupancy)
\$219.00	Per Room (Deluxe)

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Based on historical operating results and approved maximum rates ADR is projected between \$160 and \$164 in the first year of operation. The following table details the projected revenue for Glacier Bay Lodge between 2004 and 2008.

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### **Exhibit 17 - Projected Lodging Revenue – 2004 to 2008**

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<b>Lodging</b>	
<b>Year</b>	<b>Revenue</b>
2004	\$710,000
2005	\$845,000
2006	\$898,000
2007	\$920,000
2008	\$943,000

---

### ***Lodging Expenses***

Based on industry trends and information available to us, we estimate the following expenses for the lodging department:

- Direct Labor 20 to 21 percent of gross lodging revenues
- Other Departmental Costs 8 to 9 percent of gross lodging revenues





### Day Tours and Camper Drop-Off Services

As previously outlined the existing concessioner operates a day tour that takes visitors on a tour of Glacier Bay. The tour has been the largest revenue-generating department, which is expected to continue. The tour is authorized for one trip each day of the operating season for a total of approximately 120 trips per season.

Historically, the existing concessioner, as part of the current Contract, has also earned revenue from the operation of overnight maritime tours and charter boat operations. As previously stated, these services have been eliminated as part of the new Draft Contract. The NPS plans to offer these tour and charter vessel services under separate authorizations in accordance with the outcome of the Vessel Quota and Operating Requirements Environmental Impact Statement due to be completed Dec. 31, 2003.

Passenger counts for the day tour operation have ranged from 7,000 to 12,000 per year over the past seven years. Daily peak passenger loads have ranged between 160 to 180 passengers during the peak period. It is assumed for purposes of these projections that future passenger counts should stabilize in the 11,500 to 12,000 range at similar daily peak levels.

During 2003, the approved maximum rate for the day tour was \$159.50 per adult and \$79.75 per child aged 2 to 12 years old. Based on historical operating results and approved rates, average revenue per passenger is projected between \$165 and \$170 in the first year of operation.

The following table details the projected revenue for maritime day tour between 2004 and 2008.

**Exhibit 18 - Projected Boat Tour Revenue – 2004 to 2008**

Boat Tour Revenues	
Year	Revenue
2004	\$1,487,000
2005	\$1,780,000
2006	\$1,955,000
2007	\$2,047,000
2008	\$2,099,000

In addition to day tour revenues the existing concessioner also recorded revenues for the day tour in relation to the camper drop off service that was operated in conjunction with the day tour operation. Passenger counts for the camper drop off service typically range from 500 to 750 with an approved maximum rate of \$189.50 for a round trip during 2003. It is assumed for purposes of these projections that, regardless of whether the service is provided by the day tour vessel or a separate vessel, the camper drop off service should generate approximately \$133,000 in revenue in the first year of operation.

### Day Tour Boat and Camper Drop-Off Expenses

Based on industry trends and information available to us, we project the following expenses for the tour boat department:



- Direct Labor 10 to 11 percent of gross tour boat revenues
- Other Departmental Costs 37 to 38 percent of gross tour boat revenues

### Food and Beverage Services

Glacier Bay Lodge offers an interior restaurant as well as a seasonal outdoor dining deck. The combined facility offers breakfast, lunch, and dinner to predominately lodge guests. The restaurant, however, is also able to garner business from other Park visitors such as campers and local residents. Given the popularity and timing of the day tour the restaurant is busiest for dinner, followed by breakfast and then lunch. The menu has typically been American Fare with a distinct regional flavor through the inclusion of local seafood dishes. Service style is often tableside and/or buffet for breakfast with full table service for lunch and dinner.



While the restaurant does not presently, nor will in the future, include a stand-alone bar, beverage revenues have historically amounted to between 20 and 25 percent of total restaurant revenues. It is expected that this trend will continue in the future.

In addition to the revenue earned from food and beverage sales within the restaurant, the existing concessioner also earns revenue from the sale of limited food and beverage items on the day tour. While providing lunch, afternoon snack and hot beverages will continue to be provided as part of the approved rate, additional snack items and beverages may be offered for sale.

Food and beverage service revenue between the two outlets has recently generated between \$100 and \$105 dollars per occupied room. This level is assumed to continue, resulting in first year food and beverage service sales of approximately \$466,000.

The following table details the projected revenue for the food and beverage service between 2004 and 2008.

**Exhibit 19 - Projected Food & Beverage Revenue – 2004 to 2008**

Food & Beverage	
Year	Revenue
2004	\$466,000
2005	\$549,000
2006	\$578,000
2007	\$592,000
2008	\$607,000





### ***Food and Beverage Expenses***

Based on industry trends and information available to us, we project the following expenses for the food and beverage department:

- Cost of Good Sold                      37 to 38 percent of gross food and beverage revenues
- Direct Labor                              35 to 36 percent of gross food and beverage revenues
- Other Departmental Costs        8 to 9 percent of gross food and beverage revenues

### **Retail Services**

Retail services at Glacier Bay consist of a modest retail outlet located within the main lodge building. It offers primarily souvenir type products as well as an assortment of camper “necessity” items. The demand for retail services is primarily based on lodging and day tour visitation. The retail store has generated between \$250,000 and \$350,000 in revenue depending on lodging and boat tour visitor volume. In the future, it is assumed that total retail revenues will increase in line with lodging and boat tour utilization resulting in revenues of approximately \$266,000 in the first year of operation.

The following table details the projected revenue for retail services between 2004 and 2008.

**Exhibit 20 - Projected Retail Revenue – 2004 to 2008**

Retail Revenues	
Year	Revenue
2004	\$266,000
2005	\$314,000
2006	\$330,000
2007	\$339,000
2008	\$347,000

### ***Retail Expenses***

Based on industry trends and information available to us, we project the following expenses for the lodging department:

- Cost of Goods Sold                      63 to 64 percent of gross retail revenues
- Direct Labor                              8 to 9 percent of gross retail revenues
- Other Departmental Costs        2 to 3 percent of gross retail revenues

### **Transportation Services**

Transportation services generally involve the pick up and drop off of guests from the Gustavus airport. Approved rates for The NPS during 2003 were \$12.00 per person, one-way. Historically, the department generated between \$19 and \$25 per occupied room.



Revenues in this department have decreased significantly from historical levels for a number of reasons. First, a competing operation in Gustavus has continued to provide competitive pressure. Additionally, the recent decrease in occupied rooms caused a further decline in this department. Based on the new competitive environment, projected future revenue is estimated between \$20 and \$24 per occupied room. This results in just under \$89,000 in revenue in the first year of operation.

The following table details the projected revenue for transportation services between 2004 and 2008.

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**Exhibit 21 - Estimated Transportation Revenue – 2004 to 2008**

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Transportation Revenues	
Year	Revenue
2004	\$88,700
2005	\$104,700
2006	\$110,100
2007	\$112,700
2008	\$115,300

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***Transportation Expenses***

Based on industry trends and information available to us, we project the following expenses for the transportation department:

- Direct Labor 70 to 71 percent of gross transportation revenues
- Other Departmental Costs 20 to 21 percent of gross transportation revenues

**Fuel Services**

The concessioner offers fuel and oil service through one water-based and one land-based fuel dispensing station. The vast majority of fuel revenues are produced from marine sales. In recent years, reported fuel sales have ranged from \$70,000 to more than \$85,000. It is assumed for purposes of these projections that marine fuel sales, only, will total approximately \$81,000 in the first year of operation.

The following table details the projected revenue for fuel services between 2004 and 2008.



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**Exhibit 22 - Projected Fuel Revenue – 2004 to 2008**


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Fuel Services Revenues	
Year	Revenue
2004	\$81,000
2005	\$83,000
2006	\$85,000
2007	\$87,000
2008	\$89,000

---

***Fuel Service Expenses***

Based on industry trends and information available to us, we project the following expenses for the fuel services department:

- Cost of Goods Sold                      85 to 86 percent of gross fuel service revenues
- Direct Labor                              10 to 11 percent of gross fuel service revenues
- Other Departmental Costs          2 to 3 percent of gross fuel service revenues

**Employee Housing and Feeding Services**


The remote location and limited local population makes the pool of available resident employees somewhat limited at Glacier Bay. Accordingly, the previous concessioner has provided in-Park housing and food service to seasonal, non-resident employees.

The employee housing supply is comprised of 24 units within three dormitory buildings that currently house up to 90 people, requiring units to accommodate up to four people. Under the new Draft Contract, the concessioner will construct new housing and the

existing buildings will be eliminated. The existing concessioner has charged the employees \$5.00 per day for room and board.

**Utilities**

The NPS currently provides the following utility services to the concessioner: electricity, fuel handling and storage, wastewater treatment and domestic water service. These services are provided on a reimbursable basis in accordance with current NPS policy, and through monthly billings to the concessioner.

Rates for Service-provided utilities are established in accordance with National Park Service guidelines. In general, these guidelines require an annual determination of the costs to provide



these utilities, which are then divided by the number of units produced to determine the cost per unit. That cost, or rate, then serves as the basis for calculating monthly billing for the following 12-month period.

The existing concessioner averaged approximately 320,000 kWh of electricity each of the past three years. During the 2002 season, concession fuel storage requirements amounted to approximately 138,000 gallons (including fuel for overnight tour boats and charters). Water and Wastewater Treatment has historically been charged based on a daily rate, so consumption information is not available. The utility rates for 2004 are assumed for the purposes of the projections in this prospectus to be as follows:

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**Exhibit 23 - Projected Utility Rate Structure – 2004**

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Electricity	\$0.18 per kWh
Water/Wastewater Treatment	\$32.23 per 1,000 gallons
Fuel Storage and Handling	\$0.20 per gallon

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Other utility services such as propane delivery, telephone service and solid waste disposal are available commercially and are not provided by the NPS.

The NPS may discontinue providing a utility if it becomes commercially available. For example, the electrical utility serving the community of Gustavus could be expanded to serve the Bartlett Cove area. If this occurred, the NPS might discontinue electrical service to the concessioner.



## INITIAL INVESTMENT

**The existing contract (CC-GLBA001-86, as amended) provides that the incumbent Concessioner will sell and transfer to the successor its possessory interest in Concessioner and Government Improvements and all other property of the Concessioner used or held for use in connection with such operations. A copy of the existing contract (CC-GLBA001-86, as amended) is contained in the appendix.**

### **General Description of Possessory Interest under the National Park Service Concessions Policy Act (1965 Act)**

The existing Concessioner's Possessory Interest in improvements at Glacier Bay National Park & Preserve is described in Section 12 of the existing contract, as amended. In summary, a Possessory Interest is an interest in real property improvements as defined by the existing contract.

### **Estimates of Possessory Interest**

The National Park Service estimates possessory interest of \$0 (zero) for Concessioner Improvements and Government Improvements. This estimate was based, in part, on the terms of the existing Contract. In particular, Offerors are referred to CC-GLBA001-86, Amendment #5, located in Appendix E.

### **Other Property**

Section 12 of the existing Contract also requires the Concessioner to sell and transfer to the successor "...all other property of the Concessioner used or held for use in connection with such operations..." (Other Property).

The estimated value of Other Property to be sold and transferred to the successor is \$400,000. This total includes both concessioner owned furniture, fixtures and equipment, and vehicles held by the Concessioner for use in the operation. This total is only an estimate, and the determined value could differ from this estimate. This estimate does not include the vessel that is currently being used by the existing concessioner as it is leased to the concessioner.

Offerors should not rely on the National Park Service estimates in preparing and submitting proposals in response to this Prospectus. It is the responsibility of Offerors to make their own estimates of the compensation that must be paid the existing Concessioner under the terms of the existing Concession Contract. A list of possible Other Property that may be required for purchase by the successful Offeror in accordance with the terms of the existing Contract is included in the Appendix.

### **Dispute Resolution**

If the existing Concessioner and the successor cannot agree upon the fair value of any item or items, the resolution will occur as provided in the existing Contract, CC-GLBA001-86.



## Required Investment

The following table details the estimated investment required of the Concessioner as projected by the National Park Service.

**Exhibit 24 - Estimated Required Investment**

Initial investments (including first year CFIPs)	Amount
Concession Facilities Improvement Program	\$1,665,000
Inventory	\$75,000
Other Property	\$400,000
Possessory Interest	\$0
<b>Total</b>	<b>\$2,140,000</b>

*Source: Glacier Bay NP&P Concessions Management Office*

## Leasehold Surrender Interest under the Concessions Management Improvement Act of 1998 (Public Law 105-391) and 36 CFR 51

The possessory interest acquired by the Concessioner will convert to Leasehold Surrender Interest in the Draft Contract in accordance with 36 CFR Part 51, Subparts G and H (Sections 51.51 to 51.72), and the terms of the Draft Contract. Refer to the Draft Contract and the exhibits for these terms. Offerors should note that all capital improvements that qualify for leasehold surrender interest carry a measure of security that is uncommon in the private sector. Upon expiration or termination of the Draft Contract, the government is ultimately obliged to assure payment of the leasehold surrender interest value to the Concessioner.

## REPAIR AND MAINTENANCE

The Draft Contract requires the selected Concessioner to establish a Repair and Maintenance Reserve for the purpose of ensuring that funds are available to cure certain maintenance problems that are not accomplished as part of normal operations. The Offeror is directed to Section 10c of the Draft Contract for guidance on the terms and conditions for the Maintenance Reserve. The Maintenance Reserve for this Draft Contract will be 1.0 percent of gross receipts per year for the term of the Contract.

## FRANCHISE FEE

The minimum franchise fee set forth under Principal Selection Factor 5 in the Proposal Package is 3.0 percent. This fee was based, in part, on the Possessory Interest and Other Property compensation estimates developed by the National Park Service.



## SITE VISIT

A two-day site visit occurred on September 6-7, 2002. At that time, an overview of the Park was provided by NPS Concession Management personnel, and a tour of existing concession facilities associated with this new Draft Contract. Materials that were provided to attendees are available in the appendix. Should an Offeror desire to visit the Park during the solicitation period, please contact the following individual to schedule an appointment:

Dave Nemeth  
Concession Chief  
Glacier Bay National Park & Preserve  
P.O. Box 140  
Gustavus, AK 99826  
Phone: 907-697-2624  
Fax: 907-697-2654  
E-mail: David\_Nemeth@nps.gov

## TERM AND EFFECTIVE DATE OF NEW DRAFT CONTRACT

This Draft Contract is for a term of 10 years. The effective date shall be January 1, 2004. However, the effective date of the Draft Contract is subject to change by the NPS if necessary due to transfer timing issues. The expiration date of the Draft Contract will also be changed to continue the same term length from any changed effective date.

## WEB REFERENCES

The following links, some of which have been previously mentioned in this section, may be useful to Offerors.

National Park Service information	<a href="http://www.nps.gov">http://www.nps.gov</a>
Glacier Bay National Park & Preserve information	<a href="http://www.nps.gov/glba">http://www.nps.gov/glba</a>
Vessel Quota & Operating Requirements Draft Environmental Impact Statement:	<a href="http://www.glba.ene.com/eis_2003.htm">http://www.glba.ene.com/eis_2003.htm</a>
Bartlett Cove Comprehensive Design Plan	<a href="http://www.nps.gov/glba/pphtml/facts.html">http://www.nps.gov/glba/pphtml/facts.html</a>
United States Coast Guard vessel safety information	<a href="http://www.uscg.mil/hq/g-m/gmhome.htm">http://www.uscg.mil/hq/g-m/gmhome.htm</a>

